

September 2025

Article 4 of House Bill (HB) 2, 89th Legislature, addresses funding and program changes for special education and related services. This FAQ complements the To the Administrator Addressed (TAA) correspondence titled [HB 2 Implementation: Special Education Program and Funding Updates](#) and will be updated as new information becomes available. The following items focus on immediate 2025–26 school year (SY) implementation and provide a forward look at SY 2026–27 structural changes.

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Funding for Initial Special Education Evaluations

Q. What is the new funding, and who is eligible?

A. Beginning in SY 2025–26, each local educational agency (LEA) is entitled to \$1,000 for every completed Full Individual and Initial Evaluation (FIIE) to determine special education eligibility (TEC §48.159). This requirement is part of the Foundation School Program (FSP) allotment and will appear in the Summary of Finances (SOF). LEAs participating in a shared services arrangement (SSA) are responsible for reconciling with the SSA fiscal agent and, as applicable, reimbursing the agent for costs incurred on the LEA's behalf.

Q. Do reevaluations qualify for the \$1,000 allotment?

A. No. The allotment applies to the initial evaluation for a child's first special education eligibility determination. Reevaluations are not included.

Q. When will the funding appear in the SOF, and how will settle-up work?

A. For SY 2025–26, the SOF will include estimated counts (based on SY 2024–25). TEA will reconcile the allotment at near-final settle-up in September 2026 using the actual number of FIIEs reported for SY 2025–26.

Q. How will FIIE counts be reported?

A. The FIIE counts reports for SY 2025–26 will be pulled from the Texas Student Data System (TSDS) Special Education Data System (SPEDS) Summer Submission due the last Thursday of July. The data should reflect children with an [eligibility determination \(ED\)](#) occurring July 1–June 30 (For SY 2025–26, the data collection period

is from July 1, 2025, to June 30, 2026). TEA will calculate an unduplicated count of children with an FIIE that resulted in an eligibility determination (eligible or not) during the reporting window, counted once per TSDS Unique ID and county-district number (CDN). Each district's FIIE total count will reflect the LEA-submitted pre-clarification data used for federal reporting of State Performance Plan Indicators (SPPI) 11A/11B (Timely Initial Evaluations and Eligibility Determinations) and SPPI 12 (Early Childhood Transitions).

Q. Can the funds be used for contracted evaluators or shared services with a regional Education Service Center (ESC)?

A. Yes. There are no categorical spending restrictions beyond standard accounting rules. Expenditures must be coded in accordance with the Financial Accountability System Resource Guide (FASRG).

Q. Do initial evaluations for children enrolled in private school or children who are homeschooled qualify?

A. Yes. FIIEs conducted by the LEA for private school and homeschooled students located within the LEA's boundaries and submitted as part of the TSDS SPEDS Summer Submission qualify for the \$1,000 allotment. LEAs remain responsible for child find and should continue to report these children in the TSDS SPEDS Summer Submission. Maintain local tracking for audit/accounting and code expenditures in accordance with the FASRG.

Q. How are payments scheduled for LEAs?

A. LEAs will receive estimated FIIE funding in regular installments following the FSP [payment schedule](#) during the school year (i.e., not a single lump-sum deposit). After the school year ends, TEA will reconcile based on actual reported FIIEs through the standard FSP settle-up process.

See: [HB 2 Implementation TAA](#) | [SPEDS Summer Submission \(Jun 26, 2025\)](#) | [SPEDS Summer Submission \(Aug 7, 2025\)](#)

RDSPD Fiscal Agents/Program Administrators Funding

Q. What changed for RDSPD funding under HB 2?

A. Regional Day School Programs for the Deaf (RDSPD) funding moved into formula (TEC §48.315; §30.087(b) repealed). Each fiscal agent/program administrator receives at least \$6,925 per student served, with a statewide minimum of \$35 million annually. If needed to meet the statewide minimum, the per-student amount will be higher than \$6,925.

Q. Who receives the allotment (the fiscal agent or the member LEAs)?

A. The fiscal agent/program administrator (district or ESC) is the recipient if it reports LEAofRDSPDService ([Data Element ID E1527](#)) in the Public Education Information Management System (PEIMS) Fall Submission. Member districts do not receive this allotment directly; they continue to account for costs through their SSAs. These fiscal agents/program administrators are listed in [AskTED](#). To view the list of fiscal agents/program administrators for RDSPD, hover your cursor over Reports and Directories, then select Reports from the drop-down menu. On the Reports page, select Regional Day School Programs for the Deaf Reports.

Q. How are students identified and counted for RDSPD funding?

A. A student is included if the reporting entity indicates the student receives at least 45 minutes per week of RDSPD services. In Public Education Information Management System (PEIMS) Fall Submission, report Instructional Setting “RDSPD” (Code 3, Table C067) and Special Education Program Services ([SPEDProgramSvc E3058](#)) Code 22 ([Table ID C341](#)). TEA will use the reported RDSPD fiscal agent to direct the allotment.

Q. When does this funding appear in the SOF, and where?

A. For SY 2025–26, the SOF reflects estimated amounts using SY 2024–25 data. Actuals for SY 2025–26 will be incorporated in March 2026. The RDSPD allotment appears in the SOF under Other Programs (line 52) with a corresponding detail report.

Q. How are payments scheduled for district fiscal agents versus ESC fiscal agents?

A. RDSPD district fiscal agents will receive estimated RDSPD funding in regular installments following the FSP [payment schedule](#) during the school year (not a single lump-sum deposit). After the school year ends, TEA will reconcile based on actual reported RDSPD data through the standard FSP settle-up process.

RDSPD ESC program administrators, however, will receive the estimated annual RDSPD amount in a lump-sum at the beginning of the school year, with a settle-up after the school year ends based on actuals.

Q. Will TEA adopt rules for RDSPD funding and administration?

A. Yes. TEA plans to propose amendments to 19 TAC §89.1080 and implement statutory changes under TEC §48.315. The rules will clarify eligibility and access for deaf or hard of hearing (DHH) students, require fiscal agents to use TEC §48.315 funds for program administration, and set minimum cooperative-agreement terms (member remittances, additional charges, alignment to regional rates). Proposed rules will be filed in the [Texas Register](#) for public comment. Implementation guidance will follow rule adoption.

Q. How should expenditures be coded and reported?

A. Expenditures must follow the FASRG. Each fiscal agent and each SSA member must reflect their respective allocations. TEA will update the FASRG to reflect these changes; until then, maintain internal tracking that distinguishes SSA allocations and nonresident-student costs for audit and federal compliance purposes. The following information provides additional tips on reporting for IDEA MOE and SSAs:

1. Include Actual Expenditures, Not Transfers

- Only actual expenditures made by the fiscal agent on behalf of the member LEA count toward MOE.
- Payments from member LEAs to the fiscal agent do not count toward MOE.

2. Avoid Double-Reporting

- SSA contracts must clearly define who reports what in PEIMS to avoid duplication.
- Only one entity (either the member LEA or the fiscal agent) should report each expenditure.

3. Coding Guidelines

- If a district exits an SSA but contracts with the fiscal agent for services:
 - Use **Fund 199**
 - Use **PIC 23/33/43**

- Use **Function 11**
 - Use **Object 6200** (contracted services)
 - These are considered revenue for the fiscal agent, not expenditures, and do not raise the fiscal agent's MOE baseline.
4. **Each LEA Must Meet Its Own MOE**
- Regardless of SSA participation, each LEA must meet its own MOE level based on the most recent compliance review report.

See: [TWEDS C067 \(RDSPD Code\)](#) | [TWEDS E3058 \(SPEDProgramSvc\)](#) | [FASRG](#) | [HB 2 Implementation TAA](#)

Impact of HB 2 on SELA Data Collection and Reporting

Q. Does HB 2 change the Special Education Language Acquisition (SELA) requirements or timelines?

A. Yes. HB 2 amended TEC §29.316. The requirement to regularly assess language acquisition for children eight years old and younger who are deaf or hard of hearing (DHH) remains in statute; however, the tools/assessments to be used and the reporting schedule will be set by commissioner rules. To accommodate rulemaking, the TSDS SELA data collection is suspended for the SY 2025–26. TEA will announce the required tools/assessments and reporting timeline ahead of the SY 2026–27.

Q. Will the new tiered special education funding framework affect SELA reporting?

A. The tiered framework (effective SY 2026–27) changes funding mechanics but does not alter SELA indicators or obligations. If any TSDS elements are updated to support the new framework, TEA will align any TSDS elements with the new rule and publish changes in TEDS well before the tiered framework effective date.

Q. How should LEAs coordinate SELA reporting with other HB 2 collections?

A. There is no TSDS SELA submission in the SY 2025–26, because the SELA Data Collection through TSDS is suspended for the SY 2025–26. Monitor TEA communications for commissioner rules and plan to implement the required tools and reporting beginning the SY 2026–27. LEAs will need to communicate with their IEP and student information system software vendors that this collection is suspended.

See: [SPEDS Summer Submission \(Jun 26, 2025\)](#) | [SPEDS Summer Submission \(Aug 7, 2025\)](#)

Special Education Transportation

Q. What is the new transportation reimbursement rate and when does it apply?

A. The new per-mile reimbursement for special education transportation increases from \$1.08 to \$1.13, according to TEC §48.151. For SY 2025–26, LPE/DPE columns will use estimated SY 2024–25 route miles at \$1.08. TEA will apply the \$1.13 rate at near-final settle-up (September 2026) using miles reported in the FSP Transportation module via the Texas Education Agency Login (TEAL).

See: [HB 2 Implementation TAA](#)

CCMR Outcomes Bonus for Students in Special Education

Q. What changed, and how should we plan?

A. The CCMR Outcomes Bonus for annual graduates in the special education cohort increases from \$2,000 to \$4,000 per eligible graduate, according to TEC §48.110. No new reporting is required. Plan revenue projections and program supports (e.g., TSIA prep, industry certifications, transition services) accordingly.

See: [CCMR Early Counts TAA \(Aug 28, 2025\)](#) | [Performance Reporting Resources](#)

Day Placement Program/Cooperative Allotment

Q. What is the new allotment and when does it begin?

A. Beginning with SY 2026–27 (following rulemaking and program guidelines), qualifying day placement programs or cooperatives are entitled to \$250,000 in the first operational year, \$100,000 in each subsequent year, and \$150,000 in a subsequent year with at least three students enrolled (TEC §48.304).

Q. What should LEAs and ESCs do now?

A. Begin collaborative planning for regional programs, identify potential student populations, staffing, facilities, and interlocal agreements. Watch for TEA rulemaking and TEDS updates that will define qualifying programs and reporting elements.

See: [TEA House Bill 2 Overview](#)

New Special Education Funding Framework (Eight Tiers and Service Groups)

Q. What is changing and when?

A. Effective with SY 2026–27, the Commissioner will implement eight tiers of service intensity and at least four service groups. The Commissioner will set weights/amounts and submit proposals to the Legislative Budget Board (LBB) in even-numbered years. The framework must increase statewide special education funding by approximately \$250 million compared to the former system as of September 1, 2025.

Q. What should LEAs/ESCs do to prepare?

A. Monitor TEA rulemaking and training, plan for new coding and data quality checks, and coordinate among special education, PEIMS, and school finance teams to ensure accurate classification once tiers go live.

See: [HB 2 Implementation TAA](#) | [TEA House Bill 2 Overview](#)

Funding for Extended School Year (ESY) Services

Q. How does HB 2 change ESY funding?

A. ESY will be funded at the highest tier of intensity for which the student qualifies and removes the prior 75% funding limit and the \$10 million statewide cap, according to TEC §48.102. TEA will provide additional details aligned to the new tiered framework prior to SY 2026–27.

See: [HB 2 Implementation TAA](#)

Noneducational Community-Based Support Services Grants

Q. How did HB 2 change the non-educational community-based support services available for certain students with disabilities?

A. [Non-educational community-based support services](#), described in TEC §29.013, was amended by HB 2 to run as a grant program that will be available to parents of students who are placed by the student's admission, review, and dismissal (ARD) committee in a residential program or in a day placement program and the student is at risk of being placed in a residential program. The commissioner must adopt rules to administer the program, which are currently anticipated to be effective in spring 2026. Parents of eligible students will be able to apply for these grants once rules are adopted and become effective.

Students with Visual Impairments

Q. Did the requirements for expanded core curriculum (ECC) and instruction in braille and the use of braille in the individualized education program (IEP) for a student with a visual impairment go away because it was deleted from TEC §30.002?

A. No, the requirements for ECC and braille instruction and use were moved to a new section, TEC §30.0021.

Acronyms

- **ARD** — Admission, Review, and Dismissal
- **AskTED** — Texas Education Directory
- **CCMR** — College, Career, and Military Readiness
- **DHH** — Deaf or Hard of Hearing
- **DPE** — District Planning Estimate
- **ECC** — Expanded Core Curriculum
- **ESC** — Education Service Center
- **ESL** — English as a Second Language
- **ESY** — Extended School Year
- **FASRG** — Financial Accountability System Resource Guide
- **FIIE** — Full Individual and Initial Evaluation (initial special education evaluation)
- **FSP** — Foundation School Program (state funding program)

- **HB 2** — House Bill 2 (89th Legislature, Regular Session)
- **IEP** — Individualized Education Program
- **LBB** — Legislative Budget Board
- **LEA** — Local Educational Agency (school district or open-enrollment charter)
- **LPE** — Legislative Planning Estimate
- **PEIMS** — Public Education Information Management System
- **QA** — Quality Assurance
- **RDSPD** — Regional Day School Program for the Deaf
- **SELA** — Special Education Language Acquisition
- **SOF** — Summary of Finances
- **SPEDS** — Special Education Data System
- **SSA** — Shared Services Arrangement
- **SY** — School Year
- **TAA** — To the Administrator Addressed (official TEA correspondence)
- **TAC** — Texas Administrative Code
- **TEA** — Texas Education Agency
- **TEAL** — Texas Education Agency Login
- **TEC** — Texas Education Code
- **TEDS** — Texas Education Data Standards
- **TSDS** — Texas Student Data System
- **TSIA** — Texas Success Initiative Assessment
- **TWEDS** — TSDS Web-Enabled Data Standards

Note: Code/table identifiers such as C067 and E3058 are TWEDS/TEDS element IDs rather than acronyms.